

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 2, 2005

In Reply Refer To:
Southern California Edison Company
Docket No. ER05-1311-000

Southern California Edison Company
Attn: James A. Cuillier
Manager of FERC Rates and Regulation
Post Office Box 800
2244 Walnut Grove Avenue
Rosemead, California 91770

Dear Mr. Cuillier:

1. On July 8, 2005, as supplemented on October 6, 2005, Southern California Edison Company (SoCal Edison) submitted for filing a Letter Agreement that revises an Interconnection Facilities Agreement (Interconnection Agreement) between SoCal Edison and Mountainview Power Company, L.L.C. (Mountainview) (collectively, Parties).¹ The Letter Agreement revises the Interconnection Agreement² to allow SoCal Edison to construct the facilities necessary to accommodate the expansion of the Project by 72 MW using existing construction funds currently held by SoCal Edison and to set forth additional terms and conditions necessary to meet an August 19, 2005 in-service date for the expansion.

¹ Mountainview applied to SoCal Edison under SoCal Edison's Transmission Owner Tariff for interconnection of 1,132 MW of generating capacity (Project) to the California Independent System Operator Controlled Grid at SoCal Edison's San Bernardino Substation.

² The Interconnection Agreement was accepted for filing by the Commission on September 28, 2001. *See Southern California Edison Co.*, Docket No. ER01-2751-000 (unpublished letter order) (September 28, 2001). The Interconnection Agreement was revised and supplemented by a letter agreement in 2003. *See Southern California Edison Co.*, Docket No. ER03-800-000 (unpublished letter order) (June 24, 2003).

2. SoCal Edison states that the Parties agree that the Interconnection Agreement will be further amended upon completion of the necessary interconnection studies reflecting the scope of work, costs of the interconnection facilities and network upgrades, payment schedule, and description of the work and in-service date of the expansion.
3. SoCal Edison requests waiver of the Commission's 60-day prior notice requirement to permit the Letter Agreement to become effective on July 9, 2005. SoCal Edison states that good cause for waiver exists because expediting the interconnection serves the public interest by facilitating availability of power.
4. On September 6, 2005, Commission staff issued a data request seeking additional information relating to SoCal Edison's filing. On October 6, 2005, SoCal Edison filed its response to the data request. In its submittal, SoCal Edison clarifies that the 72 MW expansion is related to the construction of the generating units whose output is subject to a Power Purchase Agreement (PPA) between SoCal Edison and Mountainview, which the Commission has accepted.³
5. Notice of the filing was published in the *Federal Register*, 70 Fed. Reg. 48,946 (2005), with protests and interventions due on or before August 23, 2005. Cogeneration Association of California (Cogen Association)⁴ and Energy Producers and Users Coalition (Coalition)⁵ filed timely motions to intervene and protest. Notice of the supplemental information was published in the *Federal Register*, 70 Fed. Reg. 61,800 (2005), with protests, comments, and motions to intervene due on or before October 31, 2005. No protests or comments were received.
6. Cogen Association and Coalition state that it is unclear from the Letter Agreement how the 72 MW expansion was developed and whether it is a redesign of the current Project or is an additional generating facility. Cogen Association and Coalition also

³ *Mountainview Power Company, LLC*, 106 FERC ¶ 61,183 (2005).

⁴ Cogen Association represents the power generation, power marketing and cogeneration interests of the following entities: Coalinga Cogeneration Company, Mid-Set Cogeneration Company, Kern River Cogeneration Company, Sycamore Cogeneration Company, Sargent Canyon Cogeneration Company, Salinas River Cogeneration Company, Midway Sunset Cogeneration Company and Watson Cogeneration Company.

⁵ Coalition represents the electric end use and customer generation interests of the following companies: Aera Energy LLC, BP America, Inc. (including Atlantic Richfield Company), Chevron U.S.A., Inc., ConocoPhillips Company, ExxonMobil Power and Gas Services, Inc. THUMS Long Beach Company, Occidental Elk Hills, Inc. and Valero Refining Company – California.

express concerns about whether SoCal Edison, under its procurement strategy, is honoring its obligations to qualifying facilities (QF) in its service territory. Additionally, Coalition states that while this Letter Agreement provides for an interim solution for these interconnection needs, it is unclear what the costs are and how they will be recovered.

7. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2005), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

8. Our review indicates that the Letter Agreement appears to be just and reasonable and has not been shown to be unjust, unreasonable, unduly discriminatory, preferential or otherwise unlawful. Accordingly, we accept the Letter Agreement for filing.

9. The concerns raised by the Cogen Association and the Coalition are outside the scope of this proceeding. SoCal Edison has clarified that the 72 MW expansion is not a new facility but that it is related to the interconnection application under the PPA between SoCal Edison and Mountainview. That PPA has already been accepted for filing by the Commission. Thus, the 72 MW capacity is not distinct from the capacity already interconnecting under the terms and conditions of the Interconnection Agreement. The Letter Agreement is simply an amendment to the Interconnection Agreement to provide for the release of funds, currently held by SoCal Edison, to construct additionally required interconnection facilities and network upgrades, and the additional terms and conditions necessary to accommodate an August 19, 2005 in-service date of the expansion.

10. Further, because we find that SoCal Edison has demonstrated good cause for waiver of the Commission's 60-day prior notice requirement, as explained above, we will allow the Letter Agreement to become effective July 9, 2005, as requested.

By direction of the Commission.

Magalie R. Salas,
Secretary.